

# News

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## **Consumer Price Index Cincinnati-Hamilton, OH-KY-IN First Half 2002**

Retail prices in the Cincinnati-Hamilton metropolitan were higher by only 0.1 percent in the first half of this year compared with the last half of 2001, according to the U.S. Department of Labor's Bureau of Labor Statistics (BLS). By comparison, retail prices in the Cincinnati area rose 0.4 percent in the first half of last year following increases that averaged 1.2 percent in the previous three years (1998-2000). The Cincinnati-Hamilton area Consumer Price Index for All Urban Consumers (CPI-U) stood at 168.7 (1982-84=100) in the first half of 2002, representing a 0.9 percent increase over the first half of 2001. This gain was below the 2.4 percent average increase experienced over the five prior annual periods (1997-2001).

According to BLS Regional Commissioner Peter J. Hebein in Chicago, lower energy bills helped contain retail price inflation during the first half of 2002. The indexes for natural gas, electricity, and gasoline were all lower on average during the first six months of 2002 compared with their average during the last six months of 2001. Lower costs for grocery items, and decreases in the components for apparel and other goods and services were also recognized during the first half of 2002. These declines nearly offset increases in the components for recreation, medical care, and education and communication. Excluding the effects of the lower energy costs, the all items index rose 0.6 percent in the first half of the year.

Housing costs declined 0.6 percent during the first half of this year. The index for fuel and utilities was down 8.4 percent as a result of lower costs for natural gas (-22.1 percent) and electricity (-4.4 percent). A 0.5 percent rise in the cost of shelter (includes categories of rent and lodging away from home for example) only partially offset these declines. On an annual basis, the natural gas index was down 28.5 percent and the cost of electricity rose 2.7 percent. Overall housing costs in the Cincinnati-Hamilton area were up 0.6 percent from one year ago. This increase was below the 2.6 percent average increase recorded over the prior five annual periods (1997-2001).

The food and beverages component was down 0.7 percent during the first half of 2002. A 1.1 percent decline in the food at home index (grocery foods) more than

offset increases in the indexes for food away from home (0.9 percent) and alcoholic beverages (2.4 percent). Small to moderate over-the-year increases in the indexes for food at home index (0.8 percent), food away from home (1.5 percent), and alcoholic beverages (3.1 percent) held the annual increase in the food and beverages component to 0.7 percent. This was below the average annual increase of 2.7 percent in the food and beverages component over the prior five annual periods.

During the first six months of 2002, the transportation component fell 0.5 percent. Gasoline prices declined 1.4 percent in the first half of 2002. On an annual basis, prices at the gasoline pumps fell 17.9 percent. This follows a 0.4 percent rise in the previous year and a 39.5 percent spike two years ago. For the year, the overall transportation component declined 1.7 percent, thanks to the lower gasoline prices.

The medical care component rose 3.3 percent during the first half of 2002 and was 5.3 percent higher than a year ago. This annual increase was similar to the 5.5 percent increase in the previous year, but below the 8.5 percent annual gain posted in the first half of 1999 and the first half of 2000.

The recreation component rose 7.8 percent during the first six months of 2002--a large increase compared with the 0.4 percent average increase recorded during the previous three first half periods. For the year, recreation costs were up 5.7 percent, outpacing the 1.7 percent increase in the previous annual period.

The component for education and communication rose 0.8 percent during the first half of this year and was 4.3 percent higher than a year ago. The apparel component dropped 2.7 percent during the first six months of 2002 following a 4.1 percent average decline during the two prior first half calendar years. Compared with a year ago, apparel prices fell 3.7 percent, turning around a 1.8 percent increase in the previous annual period. The other goods and services component fell 0.8 percent during the first half of 2002 yet remained 3.5 percent higher than its first half 2001 level.

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#### CPI HOTLINE SERVICE PROVIDES LATEST INDEXES 24 HOURS A DAY

The all items CPI-U and CPI-W for the U. S. City Average and for the Cincinnati area are available to the public 24 hours a day, 7 days a week through the Bureau's CPI HOTLINE service. This recorded message also provides percent change from the prior period and from a year earlier as well as the scheduled release date for the next CPI issuance. The HOTLINE number in Cincinnati is (513) 684-2349.

#### BLS FAX-ON-DEMAND SERVICE OFFERS CPI DATA 24 HOURS A DAY

If you have a fax machine and a touch-tone telephone, you can order current and historical CPI data and receive it within minutes by fax. The BLS Fax-on-Demand service offers over 280 documents containing the most popular BLS data including more than 65 documents containing CPI data for the nation, four regions, and 30 metropolitan areas. To receive by fax a catalog of documents available on the service, call 312 353-1880, select menu option 1, and when prompted, order document 1000.

### BRIEF EXPLANATION OF THE CPI

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPI's for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 80 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 32 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Prices are collected in 85 urban areas across the country from about 57,000 housing units and approximately 19,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index. Prices of food, fuels and a few other items are obtained every month in all 85 locations. Prices of most other commodities and services are collected every month in the five largest geographic areas and every other month in other areas. Prices of most goods and services are obtained by personal visits of the Bureau's trained representatives. Mail questionnaires are used to obtain utility rates, some fuel prices, and certain other items.

In calculating the index, price changes for the various items in each location are averaged together with weights which represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Separate indexes are also published by size of city, by region of the country, for cross-classifications of regions and population-size classes, and for 27 local areas. Area indexes do not measure differences in the level of prices among cities, they only measure the average change in prices for each area since the base period.

The index measures price change from a designated reference date- 1982-84- which equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: The price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65.

For further details see BLS Handbook of Methods, Bulletin 2490, Chapter 17, April 1997, and "The Consumer Price Index.

**Consumer Price Index for All Urban Consumers (CPI-U): Indexes for semiannual averages and percent changes for selected periods**

**Cincinnati-Hamilton, OH-KY-IN** (1982-84=100 unless otherwise noted)

Item and Group	Semiannual average indexes			Percent change to 1st half 2002 from—	
	1st half 2001	2nd half 2001	1st half 2002	1st half 2001	2nd half 2001
<b>Expenditure category</b>					
All items .....	167.2	168.6	168.7	0.9	0.1
All items (1967=100) .....	517.4	521.7	522.1	-	-
Food and beverages .....	160.5	162.8	161.7	.7	-.7
Food .....	158.9	161.2	159.9	.6	-.8
Food at home .....	156.9	159.9	158.1	.8	-1.1
Food away from home .....	162.3	163.3	164.7	1.5	.9
Alcoholic beverages .....	176.1	177.3	181.5	3.1	2.4
Housing .....	160.0	162.0	161.0	.6	-.6
Shelter .....	183.7	186.5	187.5	2.1	.5
Rent of primary residence .....	179.3	182.8	184.6	3.0	1.0
Owners' equivalent rent of primary residence <sup>1</sup> .....	185.9	188.8	190.8	2.6	1.1
Fuels and utilities .....	130.7	136.1	124.6	-4.7	-8.4
Fuels .....	116.0	119.8	108.4	-6.6	-9.5
Gas (piped) and electricity .....	119.6	125.3	113.3	-5.3	-9.6
Electricity .....	115.1	123.7	118.2	2.7	-4.4
Utility natural gas service .....	176.4	162.1	126.2	-28.5	-22.1
Household furnishings and operations .....	123.1	120.3	117.8	-4.3	-2.1
Apparel .....	126.4	125.1	121.7	-3.7	-2.7
Transportation .....	150.8	149.1	148.3	-1.7	-.5
Private transportation .....	149.8	148.1	147.1	-1.8	-.7
Motor fuel .....	141.7	118.0	116.2	-18.0	-1.5
Gasoline (all types) .....	141.3	117.6	116.0	-17.9	-1.4
Gasoline, unleaded regular <sup>2</sup> .....	145.1	118.4	117.1	-19.3	-1.1
Gasoline, unleaded midgrade <sup>2 3</sup> .....	141.0	116.5	114.9	-18.5	-1.4
Gasoline, unleaded premium <sup>2</sup> .....	127.1	106.5	105.0	-17.4	-1.4
Medical care .....	263.7	268.8	277.7	5.3	3.3
Recreation <sup>4</sup> .....	107.5	105.4	113.6	5.7	7.8
Education and communication <sup>4</sup> .....	100.4	103.9	104.7	4.3	.8
Other goods and services .....	296.1	309.1	306.5	3.5	-.8
<b>Commodity and service group</b>					
All items .....	167.2	168.6	168.7	.9	.1
Commodities .....	145.9	145.5	142.9	-2.1	-1.8
Commodities less food and beverages .....	137.1	135.4	132.1	-3.6	-2.4
Nondurables less food and beverages .....	143.3	140.9	138.7	-3.2	-1.6
Durables .....	132.1	131.0	127.1	-3.8	-3.0
Services .....	190.8	194.0	196.7	3.1	1.4
<b>Special aggregate indexes</b>					
All items less medical care .....	162.2	163.4	163.2	.6	-.1
All items less shelter .....	162.4	163.5	163.0	.4	-.3
Commodities less food .....	138.6	137.0	133.9	-3.4	-2.3
Nondurables .....	152.5	152.3	150.6	-1.2	-1.1
Nondurables less food .....	145.6	143.4	141.4	-2.9	-1.4
Services less rent of shelter <sup>1</sup> .....	202.9	207.2	211.2	4.1	1.9
Services less medical care services .....	183.8	186.8	189.1	2.9	1.2
Energy .....	126.4	119.8	113.0	-10.6	-5.7
All items less energy .....	173.8	175.8	176.9	1.8	.6
All items less food and energy .....	177.7	179.7	181.3	2.0	.9

<sup>1</sup> Index is on a November 1982=100 base.

<sup>2</sup> Special index based on a substantially smaller sample.

<sup>3</sup> Indexes on a December 1993=100 base.

<sup>4</sup> Indexes on a December 1997=100 base.

- Data not available.